GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3577
ANSWERED ON:20.08.2004
URBAN COOPERATIVE BANKS
Kathiria Dr. Vallabhbhai

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has received applications during the year 2000-01 from Urban Cooperative Banks from the States of Gujarat, Maharashtra and UP for inclusion in the schedule-ll of RBI get, 1934;

(b) if so, the details thereof;

(c) the number of Cooperative Banks included in Schedule-ll of RBI Act and when;

(d) whether the Cooperative Bank of Rajkot Ltd., Rajkot was not included in Schedule-ll of RBI Act, 1934;

(e) if so, the reasons therefor;

(f) whether Cooperative Bank of Rajkot Ltd., Rajkot has submitted fresh application after fulfilling the new norms on April 2,2004; and

(g) if so, the time by which decision for inclusion of Bank of Rajkot Ltd., Rajkot in Schedule-ll, of RBI ftct would be taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIS. S. PALANIMANICKAM)

(a) & (b): Reserve Bank of India (RBI) has reported that during the year 2000-01 it had received sixteen (16) applications from the Urban Co-operative Banks from the states of Gujarat (6), Maharashtra (9) and Uttar Pradesh (1) for inclusion in the Schedule-ll of the Reserve Bank of India Act, 1934.

(c): As on date, 55 urban co-operative banks are included in the Schedule-ll of the RBI Act, 1934. Names of those banks and the dates of scheduling are given in Annexure.

(d) and (e): The Co-operative Bank of Rajkot Ltd., Rajkot was not included in the Schedule-ll of RBI Act, 1934 as it did not fulfill the norm of maintaining the level of Demand and Time Liabilities to the tune of Rs.250 crores for a period of atieast one year for attaining the stable level of required deposits.

(f) & (g): The Co-operative Bank of Rajkot Ltd., Rajkot has submitted an application to RBI on April 2, 2004 but the same could not be considered as it has been decided that no bank should be included in the Second Schedule of RBI Act till a proper legislative framework is brought about and the financial position of the Urban Co-operative Banks improve in general.